

The CURE

Contract User's Resource for Excellence

The "CURE" is a quarterly newsletter of the State Controller's Office

Volume 7, Issue 4

November 2001

News From The SCO

A State Controller's Office Update

By Yvonne Anderson, SCO

⇒ CCIT Meeting

The November CCIT Meeting will be held on Wednesday, November 28th from 9:00 a.m. to noon in Building 100 at Camp George West. Camp George West, is located just East of Golden on Old Golden Road. The address is 15055 So. Golden Road. If you have questions about the meeting or the location, please call the CCU.

An agenda for the upcoming meeting is included on the last page of this issue of the CURE.

⇒ Personnel Changes

Robert Bowers, a key member of the Central Contract Unit, transferred to the Attorney Generals' Office on August 16th. Robert assumed the contract review duties, as well as many other duties that were previously performed by Rod Wolthoff. As most of you know, Rod transferred to the Department of Personnel & GSS to be the department's first Contracts Manager.

We are very pleased that Robert is still involved in the state's contract process. He is a valuable asset to the State Contract Management Team. Please join us in congratulating Robert in his new role.

⇒ State Fiscal Rule Hearing Completed

A Rule Making Hearing to discuss the proposed changes in the State Fiscal Rules was held on Wednesday, October 10, 2001. Several agency representatives attended the hearing and provided meaningful comments. The recommended changes are being finalized and the adopted changes will be effective December 1, 2001 (please see related article on page 4).

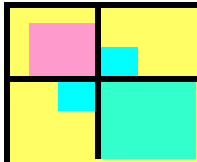
What's
Inside
this Issue

- ⇒ An update on the revised Fiscal, Personnel & Purchasing Rules
- ⇒ A note from the AG
- ⇒ News from DOR
- ⇒ Update on the New Special Provisions

Central Approvers Names and Numbers

NAME	PHONE #	FAX #
<u>Department of Personnel & General Support Services</u>		
State Controller's Office		
<u>Central Contract Unit:</u>	<u>Phone Number</u>	<u>Fax Number</u>
Phil Holtmann	303-866-3809	303-866-4233
Yvonne Anderson	303-866-2862	303-866-4233
<u>Routing, Distribution and E-mail Updates:</u>		
Kevin Cruise	303-866-2127	303-866-3569
<u>Fiscal Rule Waivers and Statutory Violations:</u>		
John Ivy	303-866-3765	303-866-3569
Human Resource Services		
<u>Personal Services Review Program:</u>		
Joi Simpson	303-866-5496	303-866-2458
State Buildings and Real Estate Programs		
Carol Lieber (SBREP)	303-866-3158	303-894-7478
Donna Barr (REP)	303-866-4564	303-866-2201
Bob Marshall (REP)	303-866-2204	303-866-4367
State Purchasing:		
Kay Kishline	303-866-6181	303-894-7444
Monica Rahman	303-866-6155	303-894-7440
<u>Office of the Attorney General</u>		
Robert Bowers	303-866-5027	303-866-4139
David Kaye	303-866-5142	303-866-4139

NOTE: You may e-mail any of the above by using the following format: **firstname.lastname@state.co.us**



An Update **Procurement Rules Changes** **Effective November 1, 2001**

By Richard Pennington, State Purchasing Director

On November 1, 2001, the following Procurement Rules changes will be effective. Notably, the changes will permit electronic receipt of bids and raise the competitive thresholds. The revisions:

1. Add a definition for “sealed” to encompass sealed electronic records. The change will permit the electronic submittal of sealed bids/proposals when appropriate systems are in place that meet the requirements for sealed bids. The Colorado/Utah e-procurement system meets the regulatory requirements.
2. Raise the small purchase threshold to \$50,000 for goods and services and \$150,000 for construction. Documented quotes will be used for goods between \$5,000 and \$50,000, and services between \$25,000 and \$50,000. Services procurements between \$5,000 and \$25,000 are still discretionary, but must be approved by the agency/institution procurement official to insure that prices/rates are fair and reasonable. Services and goods worth more than \$50,000 must be procured by an IFB or a RFP.
3. Make construction below \$25,000 discretionary. The construction must be at fair and reasonable prices/rates and be approved by State Buildings or their delegate. The rules permit use of a documented quote process for construction between \$25,000 and \$150,000. Construction above \$150,000 must be procured by IFB or RFP.
4. Raise the threshold for construction projects requiring annual registration with the State Buildings Program from \$50,000 to \$150,000.

E-Procurement System Implementation

In February 2000, the states of Colorado and Utah joined forces in buying an e-procurement system. It was the first such cooperative effort between two states, done in order to attract more interest from industry. The e-procurement system is self-funded, that is, the development and operation costs are funded through a transaction fee paid by suppliers who get orders or win bids on the system.

The system includes catalog ordering (like office supplies and IT equipment), a bid solicitation module (next generation BIDS), and workflow routing. The pilot period of live ordering started in August. Initial pilot agencies were the Department of Human Services, Department of Labor and Employment, and Department of Personnel & General Support Services. In November, the University of Colorado and Department of Transportation will have some departments/regions join the pilot.

The pilot phase includes 20 price agreement suppliers, with 10 more expected to be added this Fall. Our pilot vendors include Corporate Express/Faison, Boise Cascade, Grainger, Compaq, Tangent, Gateway, Imaging Systems, Unisource Worldwide, RFP Solutions, Greenbrier & Russel, Beyond Technology, Associated Equipment Specialists, Weststaff, Northern Colorado Paper, Spartan, and Westvaco Envelope.

The next release is due on October 26, 2001. It will include the pilot-phase COFRS integration, the bid solicitation module, Phase II workflow, and advance reporting.

After the user acceptance testing of the release, we will hold update training for administrators on November 14th. The bid solicitation module will be piloted by political subdivisions and by selected pilot agency purchasing agents.

After the pilot period of performance, the State has an option for full production and deployment across remaining state agencies and institutions. The pilot ends on January 25, 2001. Upon exercise of the production option, the contract contemplates use of the system by political subdivisions. SPO has been discussing deployment plans with them as well. The Department of Local Affairs is expected to play a role in deployment to local governments and districts.



News from Around the State

By Roger Thomte, Department of Revenue

The Department of Revenue is in the final development stages of a Contract Lease Data Base. It is projected to be in full use by the Purchasing and Contract Services (PACS) unit of DOR and program personnel throughout the agency by the end of November. We feel that this program has the potential to assist other agencies in managing and administering their contracts and leases. We plan to demonstrate the database at the February 2002 CCIT Meeting.

The Contract Lease Data Base is written in Visual Basic using Oracle for data management. It's flexible, intuitive, and to date, very reliable.

Charged with the administration of 70 leases and 90 contracts, PACS initiated an effort with Mark Herrera and Brian Van Sickle of DOR's Information Technology Department to develop a program capable of meeting our administrative needs.

Our needs included a system of storing, sorting, finding and reporting basic information such as vendor/lessor contact information, FEIN's, special terms and conditions, contract/lease start and end dates, compensation, routing numbers, amendments, additional rents, property specifics, FTEs, etc., are all stored in the program.

The true value of the system is our reporting capability. One report we designed successfully identified sixty contracts or leases requiring action at the end of last fiscal year. As a result, we got a very early start with our program personnel and avoided most of the year-end nightmare. Additionally, we endeared ourselves to the Central Contracts Unit – the vast majority of our contract/lease work was approved by mid-June.

We hope that you will be able to attend our presentation at the February CCIT meeting.

MISSING ATTESTATIONS

By Robert Bowers, AGO

Attestation: The act of witnessing an instrument in writing, at the request of the party making the same, and subscribing it as a witness. Black's Law Dictionary, 5th Edition.

We are seeing a lot of contracts being routed for approval, which have not been properly attested (i.e. the attestation signature block has not been completed). For a corporation or local government entity, a properly signed contract will usually contain two signatures and a seal (e.g. the signature of the President, Vice President or Mayor and the Corporate Secretary). Usually, the Corporate Secretary attests (i.e. signs) the contract immediately below the primary signatory and places the corporate seal near the signatures.

Agencies should ensure that contracts entered into with corporations, governmental entities, and other similar contracting entities are properly signed and attested. The attestation helps the State prove (if necessary) that the individual who signed the contract was in fact who he/she claimed to be and that said person had the authority to bind the contracting entity.

Finally, if there is a question about the authority of the signatory, the agency should obtain more information from the contracting entity (e.g. a delegation letter or Board Resolution showing a grant of signature authority). As a matter of course, you should always ask for this information when dealing with someone other than the corporate president or vice-president.

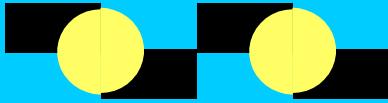
Key to CURE Abbreviations

Attorney General's Office	AGO
Central Approvers Task Force	CATF
Central Contract Unit	CCU
Colorado Contract Improvement Team	CCIT
Division of Finance and Procurement	DFP
General Support Services	GSS
State Buildings and Real Estate Programs	SBREP
State Controller's Office	SCO
State Purchasing Office	SPO

FISCAL RULE CHANGES

(Effective December 1, 2001)

By Phil Holtmann, SCO



The Fiscal Rule hearing was held October 10, 2001, and the State Controller adopted the proposed changes that are listed on the State Controller's website under "What's New". These changes will become effective on December 1, 2001. The following is a synopsis of the rule changes.

Fiscal Rule 2-2 – The dollar limit at which a commitment voucher is required has changed from \$3,000 to \$5,000. State agencies are allowed to execute vendor agreements up to the \$5,000 limit if there is no other requirement that requires the use of a state contract and the vendor agreement meets all of the conditions listed in the fiscal rule. In addition, direction has been included for the approval of on-line vendor agreements and modifications to state purchase order terms and conditions.

Fiscal Rule 2-10 – An additional exception to the rule has been included for inter-agency agreements that are charged to a specific budget line item for that commitment.

Fiscal Rule 3-1 – The definition of an 'advance payment' has been clarified. The requirements for the mandatory use of a state contract have changed for personal services and capital construction. A contract is now required when acquiring personal services exceeding \$50,000 and contracts are required for capital construction expenditures exceeding \$50,000. These changes do not affect the professional service requirements for state contracts. There are additional directions on the use on licenses for real estate and the Special Provisions have been rewritten. There are now separate Special Provisions for inter-governmental and regular state contracts, the signature pages are the same for both. If the contract

made date is December 1, 2001, or later please include the applicable new Special Provisions in the contract. If the contract made date is prior to December 1, 2001, the current Special Provisions may be included in the contract.

Fiscal Rule 4-1 – The Director of the State Buildings Program has authority to allow the use of state purchase orders for emergency project expenditures exceeding \$50,000. The use of a state purchase order requires the signature of the Director of the State Buildings Program or a delegate on the face of the purchase order and the contractor must provide written acknowledgement of acceptance prior to beginning work.

Fiscal Rule 5-1 - The current rates for state travel have been updated and direction provided for the amount of mileage reimbursement to be claimed by state employees traveling by car to a temporary job-site.

Fiscal Rule 7-3 – Addition clarification is provided for the requirements of roll-forward requests concerning Correctional Industries.

Fiscal Rule 8-3 – The cost allocation rule has been rewritten to comply with current federal regulations.



E-MAIL ADDRESS CHANGES

To make sure you do not miss an issue of the CURE or other important state contract information, be sure that you keep your e-mail address current by sending changes to Kevin in the SCO CCU at:

kevin.cruise@state.co.us



Personal Services Contract Review Program Update



by Joi Simpson, Personal Services Contracts Specialist

The hearing to repeal and reenact the Director's Administrative Procedures, Chapter 10, Personal Services Contracts, was held on October 24, 2001. Staff will be meeting with the Personnel Director to discuss recommendations received at the hearing. The rules will be adopted January 1, 2002. A special thanks to those that offered testimony in support of the changes; Yvonne Anderson, the former program manager, for her preliminary work in getting the process started; and, Richard Pennington, State Purchasing Director, for all of his support throughout this process. Once the rules have been adopted, notification will be sent via email.

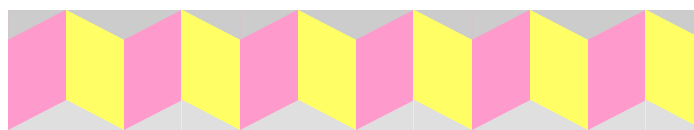
Staff will be working diligently over the next couple of months to establish technical guidelines to help agencies apply the new procedures. In addition, the Personal Services Contracts training will be updated and made available through the Procurement Training conducted by the Division of Finance and Procurement. Training will also be made available for any agency upon request.

In January, a working group will be established to help explore alternatives to the current Cost Analysis Form and process. The employee organizations have been invited as well. If you are interested in participating in this working group, please contact Joi Simpson by December 31, 2001.

A special training session is scheduled for November 27, 2001, HR administrators on the personal services contract rules and procedures. This is the beginning of reintegrating HR offices back into the review process. Some departments are working collectively with procurement and contracting personnel to begin exploring the issue.

The design phase for the improved Personal Services Annual reporting process is underway. Department of Personnel staff is meeting to establish the layout of the report and address issues that have been raised by the programmers. Agencies have been asking if old data systems should be abandoned. Staff is advising agencies to continue to use current tracking systems until all the bugs are worked out of the report and we know that it's going to work. This first year will be the test and we may run into a few snags; therefore, it's good policy to maintain current systems as a back up. As issues come up, staff will be asking for input.

Questions or concerns can be addressed by contacting Joi Simpson at 303-866-5496 or joi.simpson@state.co.us.



CCIT Meeting **AGENDA**



CCIT Meeting

Wednesday, November 28, 2001

Camp George West – Golden, Colorado – Building 100

Agenda

9:00-9:05	Welcome	Phil Holtmann
9:05-10:15	Rules Update	Phil Holtmann Joi Simpson Richard Pennington
10:15-10:30	BREAK	All
10:30-11:15	Real Estate Programs Update	Donna Barr
11:15-11:45	SCAT Committee Reports	SCAT
11:45-12:00	Questions	Phil Holtmann

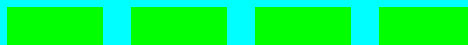
On the World Wide Web at :

www.sco.state.co.us/

CONTRACT PROCEDURES AND MANAGEMENT
MANUAL

contract/contract.htm

CURE
cure/cure.htm



www.state.co.us/

PERSONAL SERVICES REVIEW PROGRAM
AND RELATED FORMS
hrs/contracts/index.htm